CAPITAL AREA CASA ASSOCIATION

AUDITED FINANCIAL STATEMENTS

Year Ended December 31, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-4-07



CAPITAL AREA CASA ASSOCIATION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Capital Area CASA Association Baton Rouge, LA

We have audited the accompanying statement of financial position of Capital Area CASA Association (a nonprofit organization) as of December 31, 2006, and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of Capital Area CASA Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Area CASA Association as of December 31, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 22, 2007, on our consideration of Capital Area CASA Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Capital Area CASA Association taken as a whole. The accompanying schedule of TANF grant revenue and expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Chatter of associates, LLL Baton Rouge, LA

June 22, 2007

Capital Area CASA Association STATEMENT OF FINANCIAL POSITION December 31, 2006

ASSETS

Current Assets		
Cash and cash equivalents	\$	700,368
Investments	-	233,887
Grants receivable		46,127
Prepaid expenses		3,775
Total current assets		984,158
Fixed Assets		
Land		100,000
Building		179,292
Construction in progress		12,831
Furniture & fixtures		103,208
Less: Accumulated depreciation		(113,959)
Net fixed assets		281,372
Total assets	\$	1,265,529
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$	7,003
Payroll withholding	•	141
Total current liabilities		7,144
Net assets		
Unrestricted		1,215,466
Temporarily restricted		42,919
Total net assets		1,258,385
Total liabilities and net assets	<u>\$</u>	1,265,529

The accompanying notes are an integral part of this statement.

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Capital Area CASA Association STATEMENT OF ACTIVITIES For the year ended December 31, 2006

REVENUES AND OTHER SUPPORT	<u>Un</u>	<u>restricted</u>		nporarily estricted		Total
Grant income	\$	378,112	\$	0	\$	378,112
Contributions		41,404				41,404
Raffle proceeds		16,731				16,731
Court costs		101,457				101,457
Donated services		225,446				225,446
Capital campaign		0		30,000		30,000
Interest income		30,845				30,845
Other cash donations		94,625		17,218		111,843
Sponsor donations		45,000				45,000
CASAS for CASA donations		2,795				2,795
Fiesta		3,650				3,650
Auction		13,620				13,620
Net assets released from restrictions		47,529		(47,529)		0
Total revenues and other support		1,001,214		(311)		1,000,903
EXPENSES						
Program services		722,904				722,904
Management and general		67,926				67,926
Fundraising		28,270				28,270
Total expenses		819,100				819,100
Unrealized (gain) loss		4,819				4,819
Realized (gain) loss		36				36
Total expenses, gains, and losses		823,955				823,955
Increase (decrease) in net assets		177,259		(311)		176,948
Net assets, beginning of year		1,038,207	-	43,230		1,081,437
Net assets, end of year	\$	1,215,466	\$	42,919	\$	1,258,385

The accompanying notes are an integral part of this statement.

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Capital Area CASA Association STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2006

	Program Services	Management and General	Fundraising	Totals
Audit	s 0	\$ 5,977	\$ 0	\$ 5,977
Bookkeeping	0	19,337	0	19,337
Casual labor	0	18,746	0	18,746
Depreciation	16,801	714	571	18,087
Educational services	3,827	0	0	3,827
Employee benefits	279	12	9	300
Equipment expense	6,087	259	207	6,553
Foster child emergency fund	368	0	0	368
Fundraising expense	0	0	12,110	12,110
Insurance:				
Health	33,317	1,417	1,133	35,866
Liability	11,663	496	397	12,555
Workmen's compensation	2,105	90	72	2,266
Library and subscriptions	1,498	0	0	1,498
Miscellaneous	0	3,655	0	3,655
Mileage	7,885	335	268	8,488
Office supplies	7,622	324	259	8,205
Payroll taxes	24,485	1,041	833	26,359
Postage	6,580	280	224	7,084
Printing	6,704	285	228	7,217
Professional dues	230	0	0	230
Repair and maintenance	7,707	328	262	8,297
Retirement contribution	6,365	271	216	6,852
Salaries	322,815	13,727	10,976	347,518
Staff training	5,474	0	0	5,474
Telephone	8,139	346	277	8,762
Utilities	6,740	287	229	7,256
Volunteer recognition	1,489	0	0	1,489
Volunteer services	225,446	0	0	225,446
Volunteer training	9,278	0	0	9,278
	\$ 722,904	\$ 67,926	\$ 28,270	\$ 819,100

Capital Area CASA Association STATEMENT OF CASH FLOWS For the year ended December 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 176,948
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	18,087
Decrease in grants receivable	14,807
Increase in prepaid expenses	(259)
Increase in accounts payable	4,889
Increase in payroll withholding	80
Unrealized loss on investments	 4,819
Total adjustments	 42,423
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 219,371
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash payments for the purchase of office equipment	(6,552)
Cash payments for construction in progress	(12,831)
Purchase of investments	(168,513)
Proceeds from redemption of investments	46,845
Realized loss on investments	 36
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	 (141,015)
NET INCREASE IN CASH AND CASH EQUIVALENTS	78,356
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	 622,012
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 700,368

Capital Area CASA Association NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

Capital Area CASA Association is a nonprofit corporation organized under the laws of Louisiana on May 13, 1992. The corporation was formed for the purpose of recruiting and training volunteers who will become court appointed advocates for abused and neglected children. The organization's stated goal is "a safe and permanent home for every child." The Organization is primarily funded through grants from various organizations and state agencies as well as contributions.

BASIS OF ACCOUNTING

The financial statements of Capital Area CASA Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

BASIS OF PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

CASH AND CASH EQUIVALENTS

For purposes of the Statement of Cash Flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

DONATED SERVICES

The organization receives a substantial amount of services donated by program volunteers acting as court appointed advocates for children served by Capital Area CASA Association. It also receives donated services in connection with the training of those volunteers. These services are valued using an hourly rate published by the Independent Sector.

The value of these donations is reflected in the financial statements as revenue and expenses.

Capital Area CASA Association NOTES TO THE FINANCIAL STATEMENTS

December 31, 2006

EXPENSE ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

INCOME TAX STATUS

The organization is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). In addition, the organization qualifies for the charitable contribution deduction under Internal Revenue Code Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Internal Revenue Code Section 509(a)(2).

PROMISES TO GIVE

Promises to give are recognized as revenues or gains and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received, when the donor makes an unconditional promise to give. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

PROPERTY AND EQUIPMENT

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the assets. The organization capitalizes fixed assets with a cost of \$200 or more. Certain furniture and fixtures included on the Statement of Financial Position, in the amount of \$36,943 with related accumulated depreciation of \$28,002, have donor imposed restrictions on the disposal of these assets.

RESTRICTED AND UNRESTRICTED REVENUE AND SUPPORT

Support that is restricted by the donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Grant awards are classified as refundable advances until expended for the purposes of the grants since they are conditional promises to give.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Area CASA Association NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

NOTE 2: INVESTMENTS

Investments as of December 31, 2006, are summarized as follows:

Unrestricted:		Cost		Fair Value	<u>C</u> 2	urrying Value
Federal National Mortgage Association securities	\$	48,121	\$	45,875	\$	45,875
Federal Home Loan Mortgage Corporation securities	·	192,038		188,012		188,012
	\$	240,159	<u>\$</u>	233,887	\$	233,887

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 2006:

Interest income Unrealized loss Realized loss	\$ 7,078 (4,819) (36)
Total investment return	\$ 2,223

NOTE 3: DONATED SERVICES

The value of donated services included in the financial statements and the corresponding expenses for the year ended December 31, 2006, are:

Casework	\$ 155,565	
Training	69,881	_
·	\$ <u>225,446</u>	_

NOTE 4: FINANCIAL INSTRUMENTS

Financial instruments that potentially subject the organization to concentrations of credit risk consist principally of temporary cash investments. The organization places its temporary cash equivalents with financial institutions. As of December 31, 2006, the organization had temporary cash investments in excess of the FDIC insurance limits by \$62,617.

The estimated fair value of the organization's financial instruments, none of which were held for trading purposes, are as follows:

	Carrying Value Fair Value
Cash	\$ 347,696 \$ 347,696
Certificates of Deposit	352,672 352,672
Investments	233,887 233,887
	<u>\$ 934,255</u> <u>\$ 934,255</u>

Capital Area CASA Association NOTES TO THE FINANCIAL STATEMENTS December 31, 2006

NOTE 5: ECONOMIC DEPENDENCY

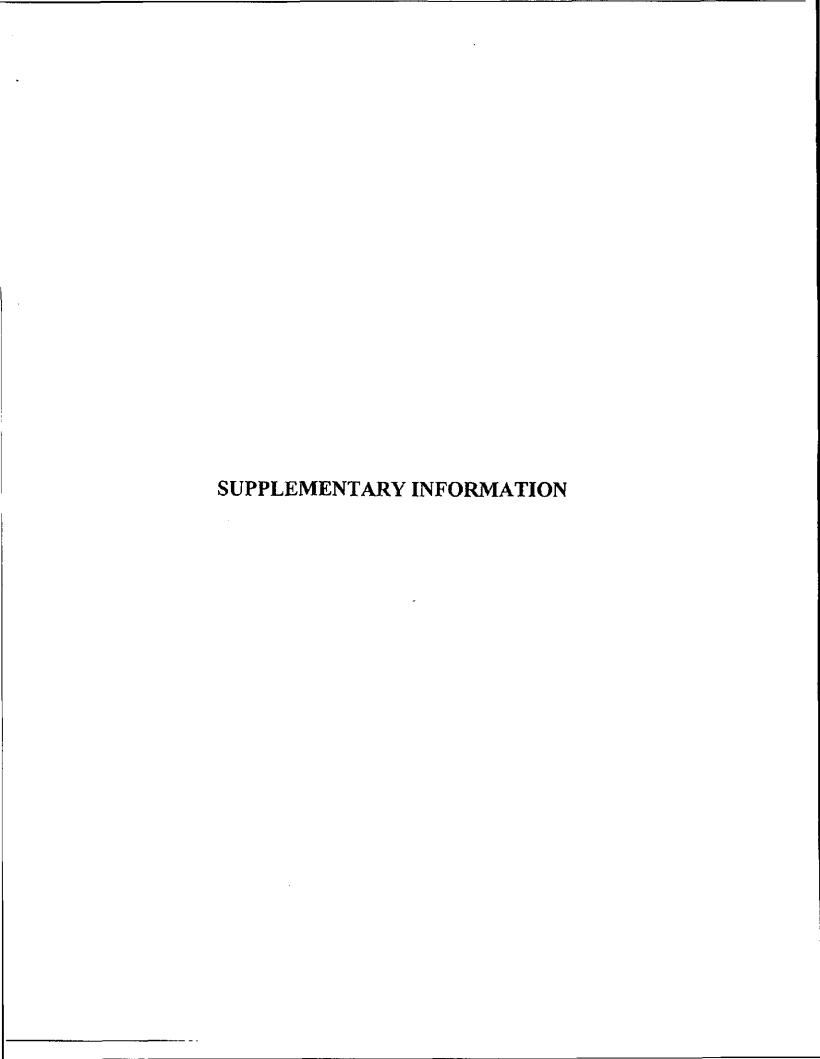
The organization received approximately 49% of its total revenues and other support, excluding donated services, from federal and state grants.

NOTE 6: EMPLOYEE BENEFIT PLAN

The organization has a defined contribution salary deferral plan covering all employees. Under the plan, the organization contributes two percent of each eligible employee's salary. Plan expenses incurred by the organization during 2006 were \$6,852.

NOTE 7: CERTIFICATES OF DEPOSIT

Certificates of deposit totaling \$352,672 are included in cash and cash equivalents in the accompanying financial statements. The certificates bear interest ranging from 3.68% to 4.98% and have maturities ranging from three to twelve months, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.



Capital Area CASA Association SCHEDULE OF TANF GRANT REVENUE AND EXPENSES

For the year ended December 31, 2006

REVENUE

Grant income	\$ 313,995
EXPENSES	
Bookkeeping	10,179
Employee benefits	137
Facility maintenance	300
Furniture and equipment	5,366
Insurance - health	19,191
Insurance - liability	9,318
Insurance - workmen's compensation	1,331
Library subscriptions	1,214
Office supplies	2,981
Payroll taxes	15,771
Postage	6,539
Printing	3,038
Retirement contribution	4,205
Salaries	212,090
Staff training	1,079
Telephone	6,253
Utilities	7,217
Volunteer training	7,786
Total expenses	313,995
Increase (decrease) in net assets	<u>\$0</u>

H.E. Chesteen, III, CPA Rhonda G. Whittington, CPA Thomas J. Beck, CPA Members of: American Institute of Certified Public Accountants Society of Louisiana Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of Capital Area CASA Association Baton Rouge, LA

We have audited the financial statements of Capital Area CASA Association (a nonprofit organization) as of and for the year ended December 31, 2006, and have issued our report thereon dated June 22, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Capital Area CASA Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Capital Area CASA Association's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial date reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organizatio's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Capital Area CASA Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information of the management and Board of Directors of Capital Area CASA Association, grantors and funders, federal awarding agencies and pass-through entities, and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statue 24:513, this report is distributed by the Legislative Auditor as a public document.

Baton Rouge, LA

Chester of Assessite, LLC

June 22, 2007